

July 2, 2020

**Directive 2020-13**

TO: **ALL PARTICIPATING LENDERS**

SUBJECT: **ENHANCING THE 97% LTV CONVENTIONAL REFINANCE PRODUCT**

The Community Development Administration (CDA) is happy to enhance the existing refinance offering to include Freddie Mac loans (LPA underwritten) in addition to the existing Fannie Mae loans (DU underwritten).

This is a 30-year, fully amortizing, limited cash-out refinance loan with a fixed interest rate. Please check with Fannie Mae, Freddie Mac, private mortgage insurers, and US Bank on specific requirements for their cash-out option. The fact sheet is here: [https://mmp.maryland.gov/Lenders/Documents/FactSheets/MMP\\_FactSheet\\_30yr97Refi.pdf](https://mmp.maryland.gov/Lenders/Documents/FactSheets/MMP_FactSheet_30yr97Refi.pdf)

This is the only product under the Maryland Mortgage Program (MMP) that allows the subordination of an existing MMP downpayment assistance loan to a new first mortgage.

As always, we appreciate your continued participation in our programs. If you have any questions concerning this directive or suggestions for improvements, please email [singlefamilyhousing.dhcd@maryland.gov](mailto:singlefamilyhousing.dhcd@maryland.gov).

Sincerely,

*Karl Metzgar*

Karl Metzgar  
Assistant Director / Operations Manager  
Single Family Housing